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*Proposed Counsel for the Official Committee
of Unsecured Creditors*

**UNITED STATES BANKRUPTCY COURT
NORTHERN DISTRICT OF CALIFORNIA
SAN FRANCISCO DIVISION**

In re:

PG&E CORPORATION

-and-

**PACIFIC GAS AND ELECTRIC
COMPANY,**

Debtors.

Case No. 19-30088 (DM)

Chapter 11

(Lead Case)

(Jointly Administered)

- ☐ Affects PG&E Corporation
- ☐ Affects Pacific Gas and Electric Company
- ☒ Affects both Debtors

** All papers shall be filed in the Lead Case.
No. 19-30088 (DM)*

**DECLARATION OF CYNTHIA WONG IN
SUPPORT OF APPLICATION OF THE
OFFICIAL COMMITTEE OF
UNSECURED CREDITORS FOR
AUTHORITY TO RETAIN AND EMPLOY
MILBANK LLP AS COUNSEL
EFFECTIVE AS OF FEBRUARY 12, 2019**

Date: April 24, 2019; Time: 9:30 AM (PT)
Place: United States Bankruptcy Court
Courtroom 17, 16th Floor
San Francisco, CA 94102

1 Cynthia Wong, under penalty of perjury, declares:

2 1. I am employed by the Pension Benefit Guaranty Corporation (“PBGC”), a
3 member of the Official Committee of Unsecured Creditors (the “Committee”) appointed in the
4 above-captioned cases.

5 2. I am authorized to make this Declaration in support of the Committee’s
6 application (the “Application”) for authorization to retain Milbank LLP (“Milbank”) as counsel to
7 the Committee pursuant to sections 328(a) and 1103(a) of the Bankruptcy Code, Bankruptcy Rules
8 2014, 2016 and 5002.

9 3. This Declaration is provided pursuant to the Revised UST Guidelines.
10 Except as otherwise noted, all facts in this Declaration are based on my personal knowledge of the
11 matters set forth herein, information gathered from my review of relevant documents, and
12 information supplied to me by Milbank.
13

14 4. I am informed by Milbank that ¶ D.2. of the Revised UST Guidelines
15 requires that any application for employment of an attorney under 11 U.S.C. § 1103 be
16 accompanied by a verified statement from the client that addresses the following:
17

- 18 (a) The identity and position of the person making the verification. The
19 person ordinarily should be the general counsel of the debtor or
20 another officer responsible for supervising outside counsel and
monitoring and controlling legal costs.
- 21 (b) The steps taken by the client to ensure that the applicant’s billing
22 rates and material terms for the engagement are comparable to the
23 applicant’s billing rates and terms for other non-bankruptcy
engagements and to the billing rates and terms of other comparably
24 skilled professionals.
- 25 (c) The number of firms the client interviewed.
- 26 (d) If the billing rates are not comparable to the applicant’s billing rates
27 for other nonbankruptcy engagements and to the billing rates of
28

1 other comparably skilled professionals, the circumstances
2 warranting the retention of that firm.

- 3 (e) The procedures the client has established to supervise the
4 applicant's fees and expenses and to manage costs. If the procedures
5 for the budgeting, review and approval of fees and expenses differ
6 from those the client regularly employs in nonbankruptcy cases to
7 supervise outside counsel, explain how and why. In addition,
describe any efforts to negotiate rates, including rates for routine
matters, or in the alternative to delegate such matters to less
expensive counsel.

8 **IDENTITY OF DECLARANT**

9 5. On February 12, 2019, the United States Trustee for the Northern District
10 of California (the "U.S. Trustee") appointed the Committee, which currently consists of the
11 following nine members: (i) BOKF, N.A., as indenture trustee under unsecured bond indentures;
12 (ii) The Davey Tree Expert Company, Davey Tree Surgery Company, and DRG, Inc.;
13 (iii) Deutsche Bank National Trust Company and Deutsche Bank Trust Company Americas, as
14 indenture trustee; (iv) G4S Secure Solutions (USA) Inc. and G4S Secure Integration LLC;
15 (v) International Brotherhood of Electrical Workers, Local 1245; (vi) Mizuho Bank, Ltd.;
16 (vii) NextEra Energy, Inc.; (viii) Pension Benefit Guaranty Corporation; and (ix) Roebbelen
17 Contracting, Inc. See Docket No. 409.¹

19 6. On February 12, 2019, the Committee duly selected Milbank as counsel to
20 represent it during the pendency of these cases.

21 7. As the representative of PBGC, a member of the Committee, I was directly
22 involved in the Committee's decision to retain Milbank and actively participated in negotiating
23 the terms of Milbank's employment together with the other members of the Committee.
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28 ¹ Western Asset Management Company, LLC has resigned from the Committee and was
replaced with Mizuho Bank, Ltd.

1 **STEPS TAKEN TO ENSURE THE COMPARABILITY OF ENGAGEMENT TERMS**

2 8. Milbank has informed the Committee that its rates for bankruptcy
3 representations are comparable to the rates Milbank charges for non-bankruptcy representations,
4 and that Milbank endeavors to set its hourly rates for attorneys and paraprofessionals at levels
5 competitive to those charged by peer firms.

6 **COMMITTEE'S SELECTION OF COUNSEL**

7 9. Following its formation, the Committee interviewed five law firms to
8 represent the Committee as lead bankruptcy counsel in these cases. After interviewing each of
9 these firms, the Committee found Milbank to be uniquely qualified for the present engagement.
10 As described in the Application and the Kreller Declaration, Milbank maintains a broad-based,
11 international practice and has a long history of representing official committees in large, complex
12 chapter 11 cases. Therefore, it is the Committee's opinion that Milbank's capabilities and
13 expertise will enable it to faithfully execute its responsibilities to the Debtors' unsecured creditors.
14

15 **RATE STRUCTURE**

16 10. Milbank has informed the Committee that its hourly rates are subject to
17 periodic adjustments (typically in January of each year) to reflect economic and other conditions.
18 Milbank has advised the Committee that they will inform the Committee in advance of any such
19 adjustments to their existing rate structure. Further, the Committee has been specifically advised
20 by Milbank that, pursuant to ABA Formal Ethics Opinion 11-458, "periodic, incremental increases
21 in a lawyer's regular hourly billing rates are generally permissible if such practice is communicated
22 clearly to and accepted by the client at the commencement of the client-lawyer relationship and
23 any periodic increases are reasonable under the circumstances." The Committee has also been
24 specifically advised by Milbank that, pursuant to ABA Formal Ethics Opinion 11-458, "the client
25 need not agree to pay the modified fee to have the lawyer continue the representation." To the
26 extent Milbank seeks to make any such adjustment to its rate structure, the Committee expressly
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1 reserves the right to reject any such modification to the extent the Committee deems it
2 unreasonable.

3 **COST SUPERVISION**

4 11. The Committee recognizes its responsibility to closely monitor Milbank's
5 billing practices to ensure the fees and expenses charged remain consistent with the Committee's
6 expectations and the exigencies of these chapter 11 cases. Accordingly, the Committee will work
7 with Milbank to develop a prospective budget and staffing plan, which the Committee intends to
8 review on an ongoing basis, as necessary. The Committee will also review Milbank's invoices
9 and any applications for payment of fees and reimbursement of expenses that it submits to the
10 Court. In addition, Milbank's fees and expenses will be subject to review, comment, objection (if
11 warranted), and Court approval pursuant to any orders and procedures that may be or have already
12 been established by the Court in these chapter 11 cases.
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14 12. Nothing contained herein is intended to limit Milbank's ability to request
15 allowance and payment of fees and expenses pursuant to 11 U.S.C. §§ 330 and 331, nor to restrict
16 Milbank's right to defend any objection raised to the allowance or payment of such fees, nor to
17 restrict the Committee's right to retain conflicts counsel to prosecute any such fee objection to the
18 extent it is not resolved informally by the parties or raised by another party in interest, such as the
19 U.S. Trustee.
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24 *[Remainder of Page Intentionally Left Blank]*
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1 Pursuant to 28 U.S.C. §1746, I declare under penalty of perjury that the foregoing is true
2 and correct to the best of my knowledge and belief.
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4 Executed on April 1, 2019

5 By: 

6 Cynthia Wong

7 Corporate Finance & Restructuring

8 Pension Benefit Guaranty Corporation
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